

**Staff  
Summary  
Report**



**To: Mayor & City Council**  
**Through: City Manager**

**Agenda Item Number 52**  
**Meeting Date 12/13/01**

**SUBJECT:** Award of Contract #02-064 - Panasonic Toughbook Laptop Extended Warranty

**PREPARED BY:** Ted Stallings, CPPB, Procurement Officer, 480-350-8617

**REVIEWED BY:** Ron Gauthier, CPPO, Central Services Administrator, 480-350-8405

**BRIEF:** Request to award a contract for Panasonic Toughbook Laptop Extended Warranty Service.

**COMMENTS:** **Purchases (1004-01)** Request to award a two-year contract for Panasonic Toughbook Laptop Extended Warranty Service to Heartland Services, Inc. in the amount of \$84,000.

**Document Name:** (20011213fsts06) Supporting Documents: Yes

**SUMMARY:** **Historical background**

The City of Tempe Police Department uses 280 CF-25 Toughbook laptop computers as part of its law enforcement responsibilities. Since the Toughbook laptop manufactures warranty period is almost over it is in the best interest of the City to purchase two- (2) year extended warranties for each laptop. The purchase price for each two- (2) extended warranty is \$300. Panasonic Computer Solutions Company has contracted with Heartland Services, Inc. as their sole provider of Panasonic Toughbook laptop computers warranty service provider.

**FISCAL NOTE:** Funds have been appropriated 1982-6856

**RECOMMENDATION:** It is recommended that the City of Tempe Council award this contract to Heartland Service, Inc. for Panasonic Toughbook laptop computer extended warranty service for \$84,000.

**Approved by:** Ted Stallings, CPPB  
Procurement Officer

Gene Obis  
Information Technology Director

# Memorandum



TO: Ron Gauthier, CPPO  
Central Services Manager

FM: Gene Obis 11-16-01  
Name of Department Head (Director/Chief) Date  
Information Technology Division  
Name of Department

## SUBJECT: Sole Source Determination

As Head of the City Department for which the needed item(s) will be purchased, I have made a determination that only one (1) reasonable and practicable source exists to supply the required material. As such, I am authorizing the City Procurement Office to work with my Department to negotiate an acceptable contract with:

Heartland Services Inc  
Name of Supplier

Description of Item(s) to be purchased:

Refer to Requisition No. 31214, dated 11-16-01 which has been transmitted to the City Procurement Office to initiate this Sole Source purchase.

My (customer) department contact for this purchase is Steve Smith at  
Ext. 8785.

My Sole Source determination is based upon extensive research conducted by my department as to possible suppliers for this need and a written justification is attached for City Procurement Office records. Panasonic letter

As related to this purchase, there are no conflicts of interest, legal, ethical or preference issues which would compromise my (customer) department or this acquisition.

Department Head's Signature GR Obis Date 11-20-2001

City Procurement Ordinance 97.55, Sec. 26A-12 identifies the basis for a sole source procurement as follows:

"A purchase may be made or contract awarded by the procurement office without competition when the using department director determines in writing, after conducting a good faith review of available sources, that there is only one reasonable and practicable source for the required material or service. The using department requesting the sole source procurement shall provide written evidence to support a sole source determination. The procurement officer will participate with the using department in the conduct of negotiations, as appropriate, to price, delivery and terms. The procurement officer may require the submission of cost or pricing data in connection with a purchase or award under this section. Sole source procurement shall be avoided, except when no reasonable alternative sources exist. A record of sole source procurements shall be maintained as a public record."

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**Panasonic®**  
Computer Solutions Company

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Secaucus, NJ 07094  
Customer Service: 800-662-3537  
Technical/RMA Support: 800-LAPTOP5

November 15, 2001

RE: Extended Warranty Service

To City of Tempe;

This letter is to inform the City of Tempe, Arizona, that Heartland Services, Inc., is the only recognized provider of extended warranty service for our Toughbook laptop computers such as the CF-25 model series.

Thank you for your time and consideration, it is greatly appreciated. Feel free to contact me with any questions regarding this issue.

*Tim Korger*

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Tim Korger  
Senior District Sales Manager  
Panasonic Computer Solutions Company, formerly known as Panasonic Personal Computer Company  
Public Safety/State & Local Government Division

Cc: Bob Lane, Field Service Manager, Southwest U.S., PCSC